

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Governance Committee Meeting Transcript

Held telephonically, June 17, 2020, commencing at
11:31 a.m. Adjourned at 11:56 a.m.

[See attendees at end of Transcript.]

REPORTED BY:

Carrie Hornbeck, Executive Assistant

Broome County Industrial Development Agency

Chairman Bucci: It is 11:31 a.m., so I think we are ready to start. In regards to attendance, I can see the screen and I can see that Brian Rose is in [attendance], Jim Peduto is in attendance, Cheryl Sacco is in attendance, and Rich Bucci is in attendance. So, we have a full Governance Committee meeting -- the full Governance Committee is here.

[Inaudible.]

Unknown: It shows a black screen and . . . it says to pause.

Ms. Abbadessa: Can I just ask everybody to mute -- if they can. . .

Ms. Duncan: I am not sure where that background noise is coming from . . .

Mr. Rose: I think it is Jeff Platsky.

[Laughs.]

Mr. Platsky: I'm out.

Ms. Duncan: Oh, Jeff's got -- is that you Jeff? He's muted, yeah.

Chairman Bucci: Okay.

Ms. Duncan: Trouble maker.

Chairman Bucci: Alright. So, we do have a full quorum for our meeting, so we can move on. We'll call the meeting to order. First item of business is the Governance Committee minutes from our May 20th meeting. Carrie sent those out; they were reviewed by committee members. Any modifications were sent back to her. If there is [sic] no additional modifications at this time, we will accept those minutes for the record.

Okay. Next item on our agenda is we are open for Public Comment. I know we have a number of visitors online with us. If there is anyone who wishes to comment -- make a comment on an agenda item, or anything that is pending before The Agency, I ask them to give us their name and address, and the floor is theirs. Okay, hearing none, we will close that portion of the meeting and we will move on to our agenda items.

Ms. Duncan: Okay.

Chairman Bucci: The first item on the agenda is a Recommendation to Approve the Extension of the Sales and Use Tax Exemption Agreement for the

Broome County Culinary Project from December 29th, 2017 Through, and Including December 31st, 2020, of Which the Total Shall not Exceed \$754,000.00. Stacey.

Ms. Duncan: Yes. Thank you all. This is a -- we received a request from Broome Culinary, as they work towards the completion of the Culinary School in downtown Binghamton. This is a request for a time extension through December 31st, 2020. If you recall -- I think it was last year -- we did approve an increase to the amount that the project required through June 33rd [sic], June 30th of this year; however, some of the required equipment was on back order and had not been sent and then, with COVID, a lot of -- some of their custom fabrication and manufacturing processes slowed, while -- quite significantly and their production has been delayed beyond June 30th of 2020, so, certainly, we are understanding of some of the impacts that COVID has had on a number of projects, so therefore, we are recommending an extension of time for this project. And, Michael Sullivan, CFO, is online -- I see him here, so if you have specific questions for him, he is here.

Chairman Bucci: Okay. Any questions for Stacey, or Mr. Sullivan? Okay. Hearing none, I will entertain a motion to approve.

Ms. Sacco: Sacco. Motion.

Chairman Bucci: Is there a second?

Mr. Peduto: Jim Peduto.

Chairman Bucci: Second by Jim Peduto. All in favor?

Unknown: [I -- in unison.]

Chairman Bucci: Any opposed? Okay, motion carries.

Chairman Bucci: The next item on the agenda is a Recommendation to Accept an Application from Piccirilli Properties, Authorizing a Sales and Use Tax Exemption in the Amount not to Exceed \$7,600.00, as well as a Mortgage Recording Tax Exemption Benefit not to Exceed \$3,000.00, Consistent with the Policies of The Agency in Connection with the Renovation of Property and Building Located at 75 Travis Avenue, in the City of Binghamton. Stacey.

Ms. Duncan: Thank you, Mayor. So, we -- you do have an application -- and I apologize for the late send of the modification -- the revised application. There was a modification to the value of the estimated Mortgage Recording Tax Exemption. That amount originally was at, I think, \$1,500.00 that -- there has been changes to the project, with regard to their mortgage and, so, therefore, they are requesting an exemption of \$3,000.00, in addition to their \$7,600.00 in Sales Tax Exemption, and the total benefit would be \$10,600.00. Piccirilli is purchasing the facility -- I think was formerly leased by Buckingham Manufacturing at one point in time -- which was then part of their consolidation -- a project we supported with their new facility in the Town of Kirkwood. So, that property became available and they are renovating that for their business. Any questions?

Ms. Sacco: So, this was a vacant structure -- now -- that they are taking on and occupying?

Ms. Duncan: Yeah, I believe so -- I know -- so, where Buckingham -- they still have their original facility on Travis Avenue -- there was a building just

behind that -- that they were actually leasing -- but when they streamlined and consolidated, and did the project in Kirkwood, I think that was the property that was vacated by them, and so they are -- Piccirilli is now moving -- renovating and moving into that building.

Ms. Sacco: Good.

Chairman Bucci: Any additional questions, or comments? Okay. I will entertain a motion to approve.

Ms. Sacco: Sacco. Motion.

Chairman Bucci: Is there a second?

Mr. Rose: Second. Rose.

Chairman Bucci: Second, Brian. All in favor?

Unknown: [I -- in unison.]

Chairman Bucci: Any opposed? Okay. Motion carries.

Our next item on the agenda is a Recommendation to Authorize the Executive Director to Execute, on Behalf of The Agency, an Extension of an

Option Agreement for the Purchase of Property Located at 4301 Watson Boulevard in the Town of Union, for an Additional Six Months. Stacey.

Ms. Duncan: Yes. Just following up on a discussion previously with regard to our option at the former IBM Country Club. This option expires at the end of June. We did speak with Joe Meagher -- I don't think he is on -- Joe spoke with Mike Fauci, attorney representing Paul Darpino, the owner. We informed them that the original offer that we were discussing -- we were no longer interested in and we discussed some options on how to continue this, and I will explain my reasons for recommending that we continue for six more months in a moment. We have come to an agreement, if the Board is willing to support that we would extend that option for six months at the same term of \$5,000.00. Should we end up purchasing the facility, to make way for new development, that would be credited towards the purchase price. The reason why we're recommending bringing this to the Board -- is that what we planned to do in this -- actually, second term -- we had been two terms at \$5,000.00, two six-month terms -- and during that process, we had engaged with Broome County -- and at no cost to us,

Broome County paid for all of the Phase 1 Environmental Assessments and review of the property. That took some time -- it was -- we anticipated getting all of our Environmental Reviews earlier than we did -- so, that ate up some time during that twelve months that we had the option. We do have all of that information now. That's important to what we also wanted to do -- was during that time, was develop and issue an RFP for a -- developer RFP for this site. I have had some, I'd say, high-level discussions with some entities in the community, of interest in looking at potential redevelopment for that site. I think that six more - you, know, six more months does give us some control over the process. Brendan has all of the Environmentals and is working on drafting an RFP. We can work with the town and the village, certainly on pushing that out to the development community, in these next several months. So, for those reasons, we are requesting that the Board consider extending that option. At the same time . . .

Ms. Sacco: Stacey, question.

Ms. Duncan: Sure.

Ms. Sacco: So, we have done two \$5,000.00

options, so would the total of the \$15,000.00 be credited towards the purchase, or just this five?

Ms. Duncan: All -- everything that we've paid in so -- would be credited towards the purchase, should we end up purchasing it. They did confirm there was one offer for this site. It was a long-term financing proposal that the owner was not interested in. I think -- over a period of three to five years -- was not a direct -- you know -- just purchase, but a financing agreement. The owner, certainly I think, is now has stated is interesting -- interested in ultimately, I think, getting rid of the property. Again, I've had a few developers -- a few potential developers come as -- with some high-level, I'd say with conceptual ideas. But what we have now is the Phase 1 -- we have all the Environmentals, we can craft, I think, a comprehensive RPF -- get that out to the development community and see if there is a project behind it.

Ms. Sacco: So, our concern about maybe being in competition with a legitimate developer with a good project -- that concern is fallen to the wayside, then?

Ms. Duncan: I wouldn't say falling to the wayside. I mean, certainly if -- you know, we've not been told -- there has been no proposal or development plan by this individual -- is my understanding. So, certainly, if we issue any RFP, we would directly -- you know give that individual an opportunity to submit. It just puts us, I think, it puts us more in the driver's seat as the final use of the site, but it wouldn't bar -- I don't think, you know, it would bar them from ultimately purchasing, if they -- if we decide to, you know, not extend beyond this point.

Ms. Sacco: Okay. Thank you.

Chairman Bucci: Stacey, my -- a couple questions I have is [sic], I mean, are we -- do we have a plan -- do we ultimately want to purchase this site -- and try to develop it ourselves?

Ms. Duncan: You know, I think that's why the RFP becomes very important, I think to see -- you, know, some of the proposals -- some of the ideas that have come through -- and some I can vouch for some of the experienced organizations that I have spoken with -- we could look at a public/private partnership -- we could look at purchasing and then selling too -- you

know, I think they are -- I think it just give us more leverage with the direction that we go with the site, ultimately.

Chairman Bucci: You know, I have no problem with us putting an RFP out to assist the owner, but I don't see the benefit of becoming the middleman on this. I mean, if we want to help them market it, and help steer potential developers to him, I think that's within our role, but I'm concerned that in six months, we are going to be where we are and then we are going to be faced with, you know, do we want to put in -- extend the option again, or we -- you know, if an offer is made to him, are we prepared to purchase it and then have a property with a significant, you know, liability in regards to what's on the property and what needs to be dealt with. I mean, I don't know if we are in a position to purchase that and then assume the responsibility of doing what has to be done there. If it was a shovel-ready site, it would be a different story, but you know, I've got real reservations about, you know, putting any more money into it, where I just kind of think it is a dead-end, from our perspective.

Ms. Sacco: Have we gotten any interest on the site that we have vetted or anyone who seems like a legitimate developer with a project? I mean, this is an eyesore. I agree with what the Mayor is saying. There is liability here. But it's been there and we already had one purchaser, who basically took the best pieces off of it, and now we are left with basically a site that is deteriorating, which is a liability and an attractive nuisance and basically, an issue for the municipalities it sits in. I would love if we could help facilitate this -- I just don't know how big a role we have to take. Have we seen anybody that has come forward to say, yes [inaudible]. . .

Ms. Duncan: We were -- yeah, no, I think that's a very valid question. Prior you know, sort of I guess, I'd say pre-COVID world, we were in -- actually, trying to plan a discussion with a very, you know, I'm sorry, a very well-established developer in the housing space on this site -- then COVID happened. To be honest, I don't know what the landscape looks like right now, because some of it -- you know, those projects that will be tied into the requirements of state funding -- some are more -- if you are in the

affordable space, you probably have, I think, some more -- what's the word --

Ms. Sacco: Security.

Ms. Duncan: [Inaudible], the state will continue to provide those tax credits, those programs, because I think that will become even, you know, more important coming out of this. But that's, I guess my point, I guess my argument is it puts us in the seat of having the first right of refusal -- it puts us in the seat of sort of directing the course of activity -- right, we could end up being the buyer, or we could end up being, sort of, the -- involved in the overall development process, or we could end up, you know, at that -- to the Mayor's point -- acting as a middleman, and brokering a project, structuring a project, but I would argue that is our role to a degree. We have not, you know, I think, our expense in, versus the potential outcome, if we can steer this to a -- I think, the right use -- would be beneficial to the community, but I understand the concerns of the Board as well, and we can -- you, know -- we can decide to walk away from it, and . . .

Ms. Sacco: The right of first refusal for an additional five, to stop a developer that we would not want to go in there, for something that would be a bad project, a detrimental project, there's a value to that. I know that's not typically what we do these things for, but, you know, I could see -- we are already in for ten, and we already have one developer at least who was interested before, who is well-established. I, at least, want -- I'm going to make a motion on this if there is no other discussion, to at least get it to the full Board for discussion, because I can see both sides of this.

Mr. Rose: Yeah, I mean, let me just ask a couple of questions . . .

Ms. Duncan: Sure.

Mr. Rose: Or think out loud about it. I mean, I - sure, I think I like the direction, right -- I don't know that I want to say from the Governance Committee, yes, but I would certainly welcome the opportunity to have the full Board discuss it. For the sake of the conversation right now, so, the goal is to have the property that right now is, you know, under-utilized and an eyesore redeveloped in a way

that's consistent with, you know, some vision of the redevelopment of that part of the community. The -- if we had ownership of the property, does that afford us any unique opportunities to manage its redevelopment, other than just control? In other words, do we get to do things because we are the IDA that we wouldn't get to do if a third party developed the site that are strong enough that we should want to own the property? Because, the cost of preventing somebody that we think is going to develop it in a way inconsistent with a vision of the community -- it is not \$5,000.00 or \$10,000.00 -- it's the cost of purchase, right? Because if somebody came and said yes, this is what I want to do, the only way we can stop them, is to buy it. So, and then, if we didn't have any great sense as to what we are going to do with it, now we own this asset -- we spent the purchase price, not just the option price, and we are kind of stuck with it, which I would rather not be.

Ms. Duncan: And I agree with you there and that's why I guess I feel that this puts us in the best position to do, I think, accomplish, Brian, some of the things your stating - is, sort of, what do we envision, at a high level, for this location? What do

we think would not work, and we can craft, you know, we can craft an RFP that, you know -- and we will know specifically -- we will have some specific information -- we will have some detailed information for the results of the Environmentals, of, you know, of just what the site will allow itself -- and have the ability to direct that conversation, while at the same time, not precluding anyone from purchasing it, ultimately. You know, we began the process of getting the Phase 1 -- we anticipated having those results early in 2020. We got those, I think, Brendan, was it early May, I think -- early to mid-May when we got the final documents. So, it did, I think, you know, I think, to be quite frank, we had hoped to have this all wrapped up by now, -- I mean, I think by now, we were thinking CFA season will be coming, we will have issued an RFP, we will have looked at multiple proposals and will have been able to push this to a state of, you know, project development, you know, but, you know, everything went in a different direction, so here we are today. I think, you know, given what we have and the information we have, I would steer us in this direction. And, you know, and as I mentioned, you know, one of those developers I

spoke with -- I don't know -- I think they are trying to vet the lay of the land on project development, as well and their future and their portfolio and does this make sense? Sometimes, the added benefit of pushing out an RFP is you create that, maybe, that time sensitivity, or that sense of hey are we in or are we out -- and that might help that process along. And I would also be interested to see, you know, one of the topics that's come up since we took that option, almost a year ago now, was the building that sits -- the Crocker Homestead, I believe it is called -- I don't think any relation to you, Dan, but, I don't believe it was deemed historic, but there is value in the community to that site, or to that building, that -- you know, so it would be nice to see if there is some creative, innovative ideas out there that would, you know, sort of also work to preserve something that -- you know, is of interest to the community. So, I think, I guess it just is our role to sort of direct and lead the conversation and is this effort for another six months worthwhile for us to do that?

Mr. Peduto: This is Jim. I guess, I could probably be persuaded either way. I wrestle a little

bit with why we are doing what the owner should be doing. And, I guess that's -- I mean, I can name fifty properties in this town that are not terribly valuable that the owner would like to have an option and have us market for them. And, you know, I guess this one -- maybe because it's high visibility and for all of the reasons that everybody has articulated, can maybe persuade the other way, but, I think, you know, I probably echo Brian's thought. Let's at least get this to the full Board and see what the consensus is, but, I'm not 100% sure it's a shoo-in.

Ms. Duncan: Sure. Understood.

Chairman Bucci: I go back to the original thought I had is, why can't we serve the role as a broker for the property -- a facilitator for the property, while taking an option. I don't think it has to be all or none. I think we could put out an RFP -- I think that's within the purview of what we are about -- assist property owners in marketing their properties, especially when they are, you know, in a pivotal place like this one, but I don't know if we have to take an ownership stake in it. I think we can work and do all the things we are doing -- the

Environmental Assessment, marketing, RFP, without having to be in the chain of title on it, or acting as a middle man, that's all, but we can discuss how we want -- where we want to go next on this. Cheryl, are you making a motion to approve?

Ms. Sacco: I don't know now. I don't know. My original thought was -- and I was the first one to say this -- I think we need to get it to the full Board for discussion, but I think we've done that without motions. So, no, I am going to withdraw my motion. I think it just gets there and we tell them that we are vacillating on where this is going, and we have pros and cons, so we didn't want to recommend that we wanted the whole board to discuss. I am going to withdraw my motion.

Chairman Bucci: Thank you. Is there any other motion? Because, what we can do is -- as we have done in the past -- we can -- or we can entertain a motion -- I think everybody wants to move it to the full Board, so we can do that. What is usually asked is, you know, is the Chairman will say was this considered in the Governance Committee, and usually, we say, that you know, that we move it in the form of

a motion. I'll explain that -- you know, we did not take action on this, because we had some reservations, but we wanted to put it to the full Board for their consideration and leave it at that. Is that -- is everybody comfortable with that?

Unknown: [Yes -- in unison.]

Chairman Bucci: We will do it that way. Okay. The next item on the agenda is a Recommendation to Authorize the Executive Director to Execute all Documents Required by Visions Federal Credit Union for a Consolidation, Modification and Extension Agreement Loan to American Horizons Group, LLC. Stacey.

Ms. Duncan: Yes. So, this is a refinance being done by American Horizons for their property in Endicott. I think, they just took advantage of interest rates right now. The requirement of -- the resolutions was a requirement of the credit union. The project is still moving forward. I think there's -- fully occupied. I think there is a waiting list. It is doing well; it is just a requirement of their financing effort.

Chairman Bucci: Okay. Is there any questions for Stacey? Is there any discussion? Okay. We will entertain a motion to approve.

Mr. Peduto: Jim Peduto, so moved.

Chairman: Jim made a motion. Is there a second?

Mr. Rose: Rose, second.

Chairman Bucci: Brian, second. All in favor?

Unknown: [I -- in unison.]

Ms. Sacco: Sacco is abstaining. I'm abstaining.

Chairman Bucci: Okay. Three I's. One abstention. Motion is carried.

I think that is all we have on the agenda for the Governance Committee.

Ms. Duncan: It is.

Chairman Bucci: I will entertain a motion to adjourn.

Mr. Rose: So, moved. Rose.

Chairman Bucci: Brian.

Mr. Peduto: Peduto, second.

Chairman Bucci: All in favor?

Unknown: [I -- in unison.]

Chairman Bucci: Okay. Meeting is
adjourned.

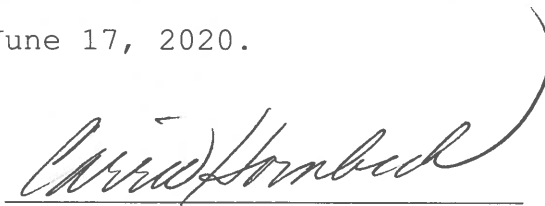
Meeting adjourned [at 11:56 a.m.].

[Attendees: Rich Bucci, Brian Rose, Cheryl Sacco, Jim
Peduto, Wayne Howard, Joe Mirabito, John Stevens, Dan
Crocker, Stacey Duncan, Tom Gray, Natalie Abbadessa,
Carrie Hornbeck, Brendan O'Bryan, Theresa Ryan, Amy
Williamson, Kevin Wu, Michael Sullivan, Jeff Platsky
and Mayor Greg Deemie.]

STATE OF NEW YORK :

COUNTY OF BROOME :

I, CARRIE HORNBECK, Executive Assistant,
do certify that the foregoing is a true and accurate
transcript of the Broome County Industrial Development
Agency Governance Committee Meeting, held
telephonically, on June 17, 2020.

A handwritten signature in cursive script, reading "Carrie Hornbeck", is written over a horizontal line. The signature is positioned to the right of the main text block.

CARRIE HORNBECK

Executive Assistant

The Agency Broome County

Industrial Development Agency

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